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(10) Defense minister, US consul general agree to expedite Futenma relocation

RYUKYU SHIMPO (Top play) (Full)
March 12, 2007

Defense Minister Fumio Kyuma, who arrived in Okinawa Prefecture on March 10, met with US Consul General Kevin Maher in the town of Haebaru yesterday afternoon to exchange views, and the two agreed to relocate Futenma airfield as early as possible. After meeting with

Maheer, Kyuma stressed to reporters that he did not discuss any revisions to the Futenma relocation plan. Maheer avoided referring directly to his meeting with Kyuma. "I don't want to say anything specific," he said.

Kyuma told reporters: "I heard the consul general's frank views and impressions of Okinawa. He told me: 'In my view, the base issue is a matter of the third interest or so to the residents of Okinawa Prefecture. I think they are more interested in the economy and employment.'" Kyuma also explained why he had visited Okinawa: "I wanted to hear a third person's view other than those of government and prefectural officials. I can meet the governor and the (Nago) mayor in Tokyo. But the consul general is posted here to cover this area, so I can't meet him unless I come down here."

Asked about revising the relocation plan, Kyuma said: "I know he will answer the current plan is the best one, even if I ask about it. I am not that much of a dunce as to ask about what I know already."

Maheer said: "Basically, both governments with the same purpose in mind have agreed to carry out the (Futenma relocation) plan as soon as possible, while lightening the burden of Okinawa and maintaining our (US military) capabilities. I think more than half of Okinawa Prefecture's people will support this plan if they understand how much it will benefit Okinawa."

(11) Aso hits Nakagawa's head for nuke argument; Public opinion skeptic like grandfather

ASAHI (Page 1) (Full)
Eve., March 8, 2007

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Less than a month after the Abe cabinet came into office, a row broke out over whether the propriety of Japan debating the pros and cons of arming itself with nuclear weapons. Last Oct. 9, North Korea conducted a nuclear weapon test. Shortly thereafter, Shoichi Nakagawa, 53, chairman of the ruling Liberal Democratic Party's policy board, appeared on a TV talk show that was aired Oct. 15. Nakagawa there advocated discussing the nuclear option for Japan to deter an armed attack. "We must discuss the matter," Nakagawa said.

Nakagawa has worked together with Prime Minister Shinzo Abe, 52, on the issue of Japanese nationals abducted to North Korea and the issue of history textbooks for school use. Did this sworn friend of Abe mean to say Japan also should have nuclear weapons-practicing an eye-for-an-eye principle?

About a month before that, a PHP INTERFACE-published book hit store shelves. The book, Nihon Kakubuso no Ronten (Point at issue: Japan arming itself with nuclear weapons), was co-authored by Terumasa Nakanishi, 59, a professor at Kyoto University. In the book, Nakanishi openly developed an argument advocating Japan going nuclear. Nakanishi is one of the scholars on Abe's brain trust. Japan has avowed its three principles of not producing, possessing, or introducing nuclear weapons. How far does Abe listen to the arguments of Nakanishi and other brain trusters?

The foreign minister in a public gathering gave someone a clout on the head. Such a singular incident took place on the evening of Oct. 16, the day after Nakagawa made the remarks. It was at a reception for exchanges between Japan and China. Among those at the reception were Wang Jiarui, chief of the Chinese Communist Party's International Liaison Department, and Wang Yi, Chinese ambassador to Japan. In their presence, Foreign Minister Taro Aso, 66, suddenly gave Nakagawa a clout on the head.

"This man said what's unnecessary without thinking over TPO (time, place, occasion), so I'm very troubled."

Aso is a grandson of Shigeru Yoshida, who was known as a one-man premier. Aso studied abroad and later became president of Aso Cement Co., Ltd. He entered politics at the age of 39. In July last year,

North Korea launched missiles. Then, Aso, as then Prime Minister Koizumi's foreign minister, moved quickly to work on the United Nations Security Council for a resolution imposing sanctions on North Korea, and he built a relationship of mutual trust with Abe, who was Koizumi's chief cabinet secretary.

America is wary of arguments in Japan about a nuclear option. Aso called US Secretary of State Condoleezza Rice later in the day after North Korea's nuclear test. "I would like the United States to declare that it will take every possible measure to defend Japan," Aso asked Rice. "Otherwise," he added, "it may give rise to arguments calling for Japan to go nuclear." Rice later visited Japan, and she stressed that the United States would defend Japan under its nuclear umbrella.

Aso forestalled the moves of nuclear advocates. On Oct. 18, however, Aso, who was guarded against the rise of arguments for the nuclear option, stated in the Diet: "When a neighboring country came to have (nuclear weapons), it's also important to discuss (the advisability of Japan's nuclear possession)."

What did Aso really mean?

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After several drinks, Aso often talks about former Foreign Minister Jutaro Komura, who concluded peace in the Russo-Japanese War, and Yosuke Matsuoka, who headed the Japanese delegation when Japan walked out of the League of Nations (in 1933).

"Komura, who saved Japan from collapse, was treated as a traitor among those who insisted on going to war. Matsuoka, who made the decision leading Japan to ruin, was greeted with a big applause. The Japanese people are easily swayed by the mood at the time."

Aso's cynical way of speaking-inherited from his grandfather-shows his skepticism of public opinion.

"It would be better not have nuclear weapons. Why? If we only cry out against nuclear weapons emotionally without discussion, we will work up a strong mood for pitting nuclear weapons against nuclear weapons when the threat from North Korea becomes even more realistic." With this, Aso thinks it would be better for Japan not to have nuclear weapons. What he fears is a "mood" that cannot be stopped.

Shigeru Ishiba, 50, an LDP lawmaker, was suddenly asked by Aso to take over his nuclear argument. "I've done it to this extent, so I'll leave the rest to you," Aso said to Ishiba. "Why me?" Ishiba was at a loss. Later on, however, Ishiba argued in Shukan Asahi that the nuclear debate must not be suppressed. He said, "It's not in the interests of Japan to possess nuclear weapons because there are many more negative aspects than positive aspects."

Ishiba listed the downside by saying: "Japan depends on atomic power generation for 40% of its electric power. Fuel imports, reprocessing, and technology transfer will stop. In time, Japan's atomic power plants will shut down." Another downside he cited was that "Japan's neighbors would also go nuclear."

At one time, it was taboo for cabinet ministers to talk about a nuclear option. Breaking a taboo used to result in their apologies or even resignations. This time, Aso has not revised his nuclear remarks. He half broke the taboo on a nuclear discourse. However, by sounding as if he is insisting only on freedom of discussion, the effect could be to incite Japan to go nuclear.

In a parliamentary one-on-one debate held in November last year Ichiro Ozawa, 64, president of the leading opposition Democratic Party of Japan (Minshuto), criticized Abe for the nuclear arguments coming from his cabinet and the ruling party. Abe, in his rebuttal to Ozawa, argued: "It's also part of the nuclear debate to say we should not have nuclear weapons." With this, Abe said he condoned a nuclear debate. Abe later said: "Mr. Ozawa once said, 'Japan can make nuclear weapons at any time.' He has said a lot of things. I thought to say, 'I'm not so radical like you.' But I left it

unsaid."

(12) Six-party talks on North Korea a tough test for Abe's diplomacy

ASAHI (Page 15) (Abridged slightly)
March 13, 2007

By Hiroshi Hoshi, senior writer

Fierce international maneuvering is underway over North Korea's

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nuclear programs. The United States and Japan separately held talks with North Korea, but the North is clinging to its "nuclear card." The North is also trying to isolate Japan, which wants to resolve the abduction issue. Mr. Principle and Mr. Reality discussed the significance of the six-party talks on the North Korean nuclear issue.

Mr. Principle: "Throughout the talks with his US counterpart in New York, the North Korean negotiator was wearing a smile. Washington has decided to partially lift its financial sanctions on Pyongyang, and the North apparently wanted to play up its friendliness. Meanwhile, in the talks with Japan in Hanoi, the North repeatedly insisted that the abduction issue had been settled. It clearly reflected Pyongyang's intention to exclude Japan from the multilateral framework."

Mr. Reality: "The six-party negotiations have proceeded as a five against one game for North Korea and Japan. The North is trying to isolate Japan from the rest of the members. Japan, on the hand, is trying to tighten the noose around the North with the four other countries. The alliance with the United States is a great advantage for Japan. China, South Korea, and Russia would not even try to compete with the strong Japan-US alliance. Shortly after taking office, Prime Minister Shinzo Abe visited China and South Korea, and that helped greatly to improve relations with those countries. North Korea has futilely tried time and again to drive a wedge between Japan and the United States."

Principle: "Will the Foreign Ministry be able to handle the matter deftly?"

Reality: "Vice Foreign Minister Shotaro Yachi, who is the top working-level official, is Prime Minister Abe's brain trust. A quarter of a century ago, Shintaro Abe was a secretary to his father, Shintaro Abe, who was then foreign minister. Yachi at the time was a secretary to a vice foreign minister. Working in the rooms adjacent to each other, the two cultivated a friendship that remains vibrant today.

Ambassador for Japan-DPRK diplomatic normalization talks Koichi Haraguchi is a seasoned diplomat who served in such posts as ambassador to the United Nations. Asian and Oceanian Bureau Director General Kenichiro Sasae, chief negotiator in the six-party talks, is fully aware of Pyongyang's intention, having served as chief of the division responsible for North Korean affairs. Deputy Director General Junichi Ihara, who is serving as an assistant to Haraguchi and Sasae, is a cool-headed mid-level official, who served in such posts as minister to the United States after pursuing studies at Harvard University. The Foreign Ministry's lineup is powerful."

Principle: "The North is expected to apply pressure on Japan and the United States in the next round of the six-party talks slated to open on March 19."

Reality: "University of Tokyo Prof. Akihiko Tanaka, an expert on international politics, wrote that the objective of the six-party talks was to 'make deals' rather than to force the North into submission. I agree with him. In the talks in February, the members decided on a set of minimum steps designed to prevent North Korea from pursuing nuclear development. Japan must join efforts with other countries to ensure that North Korea will deliver on its promise. After all, the North Korean nuclear threat is most serious for Japan. The public in the US has become increasingly aware of the

abduction issue, as well. The abduction issue has taken on an aspect of families of abductees working upon public opinion of other countries through the media and prompting their governments to make moves."

Principle: "Japan harbors many concerns, as well. First, the Bush administration might go ahead and improve relations with North Korea behind Japan's back. The Bush administration wants to achieve visible results on this issue, but it has less than two years to do so. China and South Korea's strong reactions to Prime Minister Abe's remarks on the comfort women issue might rekindle the row over historical views.

According to a certain cabinet minister, Abe has not given up the option of visiting Yasukuni Shrine. The minister predicted that Abe would visit the controversial shrine by this fall marking the first anniversary of his assumption of office. His visit to the shrine is certain to strain relations with Beijing and Seoul and eventually take a toll on the six-party talks."

Reality: "The focus is now on the extent to which Abe can discuss matters with President Bush during his visit to the United States in late April. The comfort women issue and a visit to Yasukuni Shrine depend on Abe's own decisions. According to a senior government official knowledgeable about the North Korean situation, Pyongyang is attentively watching how this summer's Upper House election will turn out. Pyongyang apparently intends to determine its response to Japan after observing the results of the election, which can dictate the fate of the Abe administration."

Principle: "The six-party talks are Japan's first full-fledged diplomatic game over security in East Asia. They are a tough test for Abe, who has made his name by taking a hard-line stance toward the abduction issue."

(13) Editorial: Anti-amakudari measures; Questioning prime minister's enthusiasm

MAINICHI (Page 5) (Full)
March 13, 2007

State Minister for Administrative Reform Yoshimi Watanabe last week presented a set of proposals for totally prohibiting government agencies from providing placement services for retiring bureaucrats. However, this proposal came under a barrage of criticism. This reaction of the LDP to Watanabe's proposal for reforming the public servant system is obvious proof of the actual situation of the Abe administration. Their reaction gave us the impression that the scene of government agencies and concerned lawmakers resisting a reform drive in unison as seen in the past has come back.

Proposals Mr. Watanabe offered included: (1) ending the current practice of individual government agencies providing placement services to bureaucrats who want to land jobs at private companies they previously regulated and instead establishing a human resources bank to be solely responsible for that job; (2) prohibiting government agencies from engaging in activities to find jobs for retiring bureaucrats at companies and organizations that have connections with their budgets and authority and retired bureaucrats from illegally working on the agencies to which they belonged; and (3) establishing penalties against unlawful activities, while monitoring wrongdoings through the introduction of an external monitoring system involving experts.

The practice of amakudari means the chief of each minister's secretariat and other senior officials try to secure

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after-retirement jobs for their bureaucrats, thereby encouraging them to retire before they reach mandatory retirement age. It goes

without saying that in the bureaucrat-led bid-rigging that involved a floodgate construction project, the Ministry of Land, Infrastructure and Transport (MLIT) took into consideration how many retired MLIT officials bidding companies accepted in placing construction orders. It has been repeatedly pointed out that amakudari is the hotbed for collusive ties between bureaucrats and companies. However, the government has never dug into the very proclivity of the bureaucracy for a long time.

There are a number of hurdles for Watanabe's proposals, including to what extent the proposed human resources bank can function. However, it is certain that most people have taken the proposals as only natural. However, government agencies unanimously opposed the proposals. As if to speak for them, a number of lawmakers opposed the proposals with one saying, "It is too strict to totally ban job placement activities" or another noting, "The proposals are based on the notion that everything done by the bureaucracy is bad." Cabinet ministers followed suit voicing a cautious argument.

It is said that though the state minister for administrative reform wants to totally scrap job placement activities by government agencies by April 2009, the LDP is preparing a proposal for delaying the time-line for a shift to a human resources bank to April 2018 or later. Does it mean that government agencies have already planned amakudari schedules several years down the pike? Setting the time-line at more than 10 years ahead is tantamount to that they have no intention of reforming amakudari.

Private-sector members of the government's Council on Economic and Fiscal Policy first proposed the idea of prohibiting government agencies from providing placement activities for retiring bureaucrats. LDP Secretary General Hidenao Nakagawa also began proposing a similar idea around the same time. Mr. Nakagawa appears to be motivated by the desire to fight the Upper House election on a platform of reform of the public servant system, making a public appeal that the Democratic Party of Japan (DPJ or Minshuto), which receives support from government and municipal trade union bodies, is not eager to carry out reform.

Apart from such a politically motivated calculation, we do not feel enthusiasm for reform of the public servant system from Prime Minister Abe, compared with his eagerness to pass a national referendum bill stipulating procedures for constitutional revision. Mr. Nakagawa said, "Prime Minister is determined. This issue will reveal the prime minister's mettle." Is that really so?

Some LDP members are reportedly criticizing the proposals saying, "(The state minister for administrative reform) thinks the government can receive support from people if he offers extreme proposals." This comment probably bears out that the LDP has backslid to its the old-guard nature of defending its vested interests. Reform means pressing ahead with even drastic proposals, if necessary. The prime minister is being put to the test regarding how seriously he is reform-oriented.

(14) Big-rigging practices - Plunge scalpel into collusive ties
(Part 2): FTC, prosecutors launch offensive in response to taxpayers' desire

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NIHON KEIZAI (Page 1) (Excerpts)
March 9, 2007

The Fair Trade Commission (FTC) secretly launched an investigation last December into a bid-rigging case in a municipal subway construction project commissioned by the city of Nagoya. Investigators from the office responsible for examining criminal cases - newly set up in the FTC under the revised Antimonopoly Law - started questioning employees of the general contractors allegedly involved in the bid-rigging case, in cooperation with the Nagoya District Public Prosecutors Office.

The FTC prosecuted five general contractors, including Kashima Kensetsu Co., and arrested five responsible officials of the five companies in late February, including Masahiro Shibata, 70, a former

advisor to the Nagoya branch of Obayashi Corp. Shibata is said to have been the coordinator for collusive arrangements to rig bids for projects in the Chubu district.

The culture of collusion has long taken deep root in the construction industry. There were many chances for the FTC to bring criminal charges against leading general contractors, but according to a senior FTC official, "It was a deep desire that it cannot easily fulfill."

In a bid-rigging case in Saitama in 1991, it was found afterward that the construction minister at that time had applied pressure to the FTC so as not to bring charges against the companies involved.

However, the Antimonopoly Law was amended In January last year to give the FTC enforcement power to carry out investigations and to empower the district public prosecutors offices across the nation to indict companies on charges of collusion.

The FTC applied to the Ministry of Land, Infrastructure and Transport the law to prevent collusive bidding initiated by public-sector officials on March 8, the first application of the law to a government agency. Prosecutors and the police have recently exposed a series of bid-rigging scandals involving governors. A senior prosecutor commented: "Now that importance has been placed on post-sanction measures, instead of ex-ante regulations, we will never overlook bid-rigging practices that affect fair competition. We will prosecute all violations."

According to estimates by the liaison conference of citizens' ombudsmen, if prefectural governments had introduced an open bidding system to prevent collusive arrangements to rig bids, more than 350 billion yen in tax money would have been saved in FY 2005. Toin University of Hokohama Postgraduate Law Faculty Professor Mitsuru Suzuki, a former FTC examiner, said, "The people are now aware that bid-rigging is a crime that wastes tax money and is not a 'necessary evil'." As it stands, ending bid-rigging practices by exposing such illegalities among general contractors is the strong desire of the taxpaying public.

Investigated general contractors will inevitably have to face harsh sanctions, such as a punishment, a surcharge, and demand for compensation for default by the local governments that placed the orders. In addition, managers might become embroiled in shareholders' suits and also could come under the application of the so-called "three-punishment rule" in Section 2, Article 95 of the Antimonopoly Law.

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Under this rule, in a bid-rigging case, offenders, the company, as well as executives, even if they were not directly involved in the case can be punished with a fine if they are found to have known about such illegal acts but took no corrective measures. This rule, though, has not been previously applied.

With scandals involving companies exposed one after the other, such as the Fujiya foods scandal that involved use of expired ingredients to produce cakes, such companies' social responsibility is being pursued more severely than in any past cases. The Nagoya District Public Prosecutors Office already questioned the vice presidents of several leading general contractors about the alleged collusive arrangements for the municipal subway construction project.

Under "the three-punishment rule," the management assumes an important role in preventing companies' crimes. The increased efforts by the FTC and prosecutors to expose bid-rigging practices are to reflect the people's desire. If general contractors remain unaware of this, they will never be able to seize a chance to regain public trust.

SCHIEFFER